

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6885**  
**BILL NUMBER: SB 180**

**NOTE PREPARED:** Dec 30, 2025  
**BILL AMENDED:**

**SUBJECT:** Various Health Care Matters.

**FIRST AUTHOR:** Sen. Brown L  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
                          X DEDICATED  
                          X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** *Medicaid Waiver:* This bill amends the requirements for a Medicaid Home and Community Based Services waiver. It requires the Office of the Secretary of Family and Social Services to apply to the federal government for a new Medicaid waiver to provide assisted living services. It specifies that provisions concerning reimbursement for assisted living services for individuals who are aged and disabled and receiving services under a Medicaid waiver apply to the new assisted living Medicaid waiver. It requires certain Medicaid recipients to choose the recipient's provider of integrated health care coordination. It provides that integrated health care coordination provided by a provider of assisted living services is not duplicative of certain other services. It specifies that an individual is no longer a member of the covered population upon receiving nursing facility services for 100 consecutive days. It provides that on the one hundredth day, the individual is not a member of the covered population and shall receive Medicaid services under a fee for service program.

*Insurance Matters:* This bill requires the Department of Insurance to take certain actions to ensure that health carriers comply with network adequacy standards. It requires a person to provide written notice to a provider of any amendment to a health provider contract not less than 60 days before the proposed effective date of the amendment. It prohibits the use of downcoding in a specified manner.

*Reimbursement Rates:* This bill requires an insurer and a health maintenance organization to reimburse providers of mental illness or substance abuse services at rates that are at least as favorable as rates are for providers of medical or surgical services. It sets forth limitations on an insurer and a health maintenance organization retroactively auditing a paid claim or seeking recoupment or a refund of a paid claim.

*Hurt on Duty Medical Coverage:* This bill provides that a current or former police officer or firefighter (first responder) may recover medical benefits from the first responder's employer for an employment related injury or illness without first proceeding with a worker's compensation claim. It provides that if a first responder pursues a worker's compensation claim for medical benefits and the claim is withdrawn or denied, the first responder is not precluded from recovering medical benefits from the employer.

*Contaminated Semen:* This bill repeals the penalty in Title 16 concerning the crime of transferring

contaminated semen. (Current statute contains a transferring of contaminated body fluids crime in Title 35.)

*Chat Bots:* This bill prohibits an operator of a mental health chat bot (operator) from sharing or selling: (1) individually identifiable health information of an Indiana user; and (2) user input. It creates an exception. It sets forth advertising and disclosure requirements for an operator. It prohibits the use of an artificial intelligence system to impersonate or act as a substitute for a licensed practitioner.

*Home Health Aides:* This bill amends the effective date for a provision concerning a home health aide competency evaluation program training hour requirement.

*Dentistry Matters:* This bill amends the educational requirements for dental hygienists. It amends the requirements for administration of nitrous oxide by a dental hygienist. It allows the State Board of Dentistry to establish additional requirements for an applicant who has failed the licensure examination at least three times.

**Effective Date:** September 1, 2025 (retroactive); July 1, 2026.

**Explanation of State Expenditures:** The bill may increase expenditures for the Indiana Department of Insurance (DOI) to contract with a third party to verify health carrier compliance. The bill will have an indeterminate impact on expenditures for the state Medicaid Program.

The bill's requirements will increase workload for Family and Social Services Administration (FSSA), DOI, Attorney General, Indiana Department of Health (IDOH), State Board of Dentistry, and the Professional Licensing Agency (PLA), but should be able to be implemented using existing staffing and resources. *[The DOI is funded through a dedicated agency fund. The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

**Additional Information:**

*Medicaid Waiver:* The bill requires the FSSA to apply for a Medicaid waiver to provide assisted living services and to establish a work group, with members appointed by the Governor, of interested stakeholders to assist with the development and implementation of the waiver. This will increase workload for FSSA and the Governor but should be able to be implemented using existing staffing and resources.

The new Medicaid waiver would require that after 100 days of a covered individual receiving services in a health care facility, that the individual be moved out of their managed care program and into a fee-for-service reimbursement program. Any change in state Medicaid expenditures is indeterminable and will depend on the number of individuals covered under the new waiver that spend more than 100 days in a health care facility, the waiver's impact to future capitation rates, and the amount provided for the required fee-for-service reimbursement.

Medicaid is jointly funded between the state and federal governments. The state share of costs for most Medicaid medical services for FFY 2026 is 35%, 10% for the age 19 to 64 expansion population within the Healthy Indiana Plan (HIP), and 25% for CHIP. The state share of administrative costs is 50%. The state share of most Medicaid and CHIP expenditures is paid from General Fund appropriations, and state dedicated funds primarily cover HIP costs.

*Insurance Matters:* The bill may increase expenditures for the DOI to contract with a third party to verify

health carrier compliance with network adequacy standards. Also, the bill will increase workload for the DOI to ensure compliance with the bill's provisions regarding the use of artificial intelligence, network adequacy, reimbursement rate reductions, recoupment of overpayments, material change, out-of-network billing, and downcoding. This should be able to be implemented using existing staffing and resources.

*Chat Bots:* The bill will increase workload for the Attorney General to enforce provisions of this bill and issue civil investigative demands as needed, but should be able to be implemented using existing staffing and resources.

*Home Health Aides:* The bill modifies the effective date of a provision under P.L. 143-2025 which will increase workload for the IDOH to update the number of hours included in a home health aide competency evaluation program.

*Dentistry Matters:* The State Board of Dentistry and PLA would see an increase in workload to establish the bill's requirements. The PLA would assist the Board in developing new, or modifying existing, rules. It is likely the Board and the PLA would be able to implement these changes within their current level of resources.

*Contaminated Semen:* This provision would have little to no effect on the Department of Correction (DOC) offender population because no one has been convicted of transferring contaminated semen (IC 16-41-14-17) as a Level 5 or Level 4 felony since FY 2015.

**Explanation of State Revenues:** The bill may result in additional revenue from civil penalties, court fees, and license revenue from both dentists and dental hygienists.

*Additional Information:*

*Insurance Matters:* The DOI may impose a civil penalty of up to \$25,000, to be deposited into the state General Fund, against a health maintenance organization (HMO) that violates the bill's requirements. Civil penalties may not exceed a total of \$100,000 per calendar year per HMO.

*Chat Bots:* The Attorney General may assess a civil penalty of up to \$2,500, to be deposited into the state General Fund, against violators of the bill's requirements regarding the use of artificial intelligence chat bots.

*Dentistry Matters:* There may be a slight increase in license revenue for both dentists and dental hygienists as a result of the bill. However, any increase in license revenue collected is likely to be minimal. License revenue for both dentists and dental hygienists totaled \$135,335 in FY 2025.

*Civil Court Fees:* The bill allows the Attorney General to seek injunctive relief for violations of the bill's artificial intelligence requirements. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

**Explanation of Local Expenditures:** *Hurt on Duty Medical Coverage:* The bill may increase expenditures for certain local units to cover former police officers or firefighters who were injured or become ill in the

line of duty. Expenditure increases may be mitigated through successful disposition against a liable third-party by the local unit and/or insurance claims.

*Additional Information:*

*Hurt on Duty Medical Coverage:* Local units that elect to have workers' compensation insurance for medical benefits would have to pay the costs of care if the claim is withdrawn or denied. The local unit's general fund is responsible for compensation of medical, surgical, pharmaceutical, nursing, and therapeutic care costs.

**Explanation of Local Revenues:** *Reimbursement Rates:* The bill sets prohibitions on insurers retroactively reducing the reimbursement rate for CPT codes and seeking repayment of previously paid claims or overpayments, as well as sets parameters, based in part on Medicare rates, for minimum reimbursement rates paid by insurers to providers of mental illness or substance abuse services. These provisions may result in additional revenue for locally owned hospitals providing such services.

*Civil Court Fees:* If additional civil cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

**State Agencies Affected:** Indiana Department of Health; Indiana Department of Insurance; Family and Social Services Administration; Department of Correction; Office of Attorney General; State Board of Health; State Board of Dentistry; Professional Licensing Agency.

**Local Agencies Affected:** Cities, towns, townships, special service districts, fire protection districts; trial courts, city and town courts; local law enforcement agencies, provider units; locally owned hospitals.

**Information Sources:** Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025; IC 27-13-24-1; Indiana Sheriffs' Association, Indiana Supreme Court, Indiana Trial Court Fee Manual; Department of Corrections; Indiana Gateway for Government Units, 2023 Annual Financial Reports, <https://gateway.ifionline.org/public/download.aspx>; Bureau of Justice Statistics, 2023 Annual Survey of Jails Data Series, <https://www.icpsr.umich.edu/web/NACJD/series/7>.

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